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PROGRAMME PLANNING AND IMPLEMENTATION

Country, intercountry and global programmes

FIFTH COUNTRY PROGRAMME FOR MAURITIUS

Programme period	Resources	$
January 1993 - December 1997	Net IPF	3 818 000
	Estimated cost-sharing	-
	Total	3 818 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. In spite of a recent slow-down in some activities, economic growth in Mauritius has been vigorous and uninterrupted since the country emerged from the effects of world-wide recession in the early 1980s. Between 1983 and 1990, an annual growth rate (in real terms) of 6.4 per cent on average was achieved, mainly on the strength of exports of manufactured products and the tourism industry. Meanwhile, inflation was kept under control, except during 1988 and 1990. In addition, the family planning programme yielded substantial results and population growth now stands at only 1 per cent per year. This, together with strong output performance, resulted in a significant increase in per capita income, which reached $2,700 in 1991.

2. The productive base has been expanded and modernized. At the same time the entire nation has benefited from marked improvement in the material standard of living. The Government's concern that people be at the centre of all development is reflected in the country's relatively high ranking (48 out of 160) on the human development index of the UNDP Human Development Report 1992. The rising standard of living of the population is reflected in private consumption, more and better health care and education (both available to citizens free of charge) and other forms of public services. Life expectancy has also increased in recent years to 68 years in 1991 (65 for males and 72 for females).

3. The remarkable economic performance of the 1980s, which strengthened the balance-of-payments situation as well as government finances, can be ascribed primarily to the existence of unutilized labour and stable production costs. The unemployment rate dropped from 22 per cent in 1982 to 2.5 per cent in 1990, leading to shortages of labour, both skilled and unskilled, in some areas. Thus, the recent rise in labour costs, unmatched by gains in productivity, has resulted in a gradual erosion of the country's competitiveness in international markets. Furthermore, Mauritius, with its small economy (1.1 million persons on 1,960 square kilometres of land) and export-led development strategy, has to contend with uncertain and potentially adverse conditions, namely increased competition in its current product mix and protectionist tendencies in emerging trading blocs.

B. National development objectives and strategies

4. The economic strategy underlying the country's three-year rolling plan (1992-1994) is to ensure sustainable development, as in the 1980s, through a flexible specialization approach and by ensuring greater efficiency in the management of the economy, within the framework of a functioning democracy. Its goals are to: (a) consolidate the traditional sectors of the economy; (b) modernize further the productive sectors through capital-intensive techniques to sustain the continued industrialization effort while maintaining quality growth without exerting undue pressure on the physical environment; and (c) strengthen its financial market in order to promote the country as a financial and trade centre in the subregion.

5. To keep people at the centre of this development strategy, an integrated approach will be adopted, linking environmental and social concerns to economic priorities. Measures initiated by the Government to address inflationary pressure and mounting pollution will be enhanced. Efforts in reforming the education system will be pursued through the full implementation of the Education Sector Master Plan (ESMP) and further upgrading of vocational and technical skills. Notwithstanding these efforts, the continuing erosion of the country's competitiveness, combined with uncertainties appearing on the international scene, could cause much slower economic growth than in the past, in spite of attractive opportunities in the services sector. If current trends continue, the economy could grow at 5 per cent per year to 1995, still a significant achievement by African standards.

II. EXTERNAL COOPERATION

A. Role of external cooperation

6. During the past five years, the Government of France has been the largest bilateral aid donor. Other donors include the Governments of Australia, China, India, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America. Bilateral assistance, the major source of aid, contributed $62 million, or 60 per cent of total aid received in 1990.

7. Total external assistance received ($105 million) accounted for only 4 per cent of gross domestic product (GDP) in 1990 and of this amount, technical cooperation represented almost 20 per cent, with the United Nations system contributing $2.7 million, or 13 per cent of technical cooperation provided in 1990. UNDP assistance amounted to almost $1 million, or 37 per cent of the United Nations system total. The relatively high per capita gross national product (GNP) has influenced aid flows and also reflects the marked increase of investment loans from both bilateral and multilateral sources in recent years.

B. Coordination arrangements

8. The Ministry of Economic Planning and Development (MEPD), the focal point for the management of external resources, collaborates closely with technical ministries to seek funds for their programmes and projects within the rolling three-year framework and maintains a constant dialogue with the donor community for a smooth coordination of all aid components, including technical cooperation, commodity aid and project financing. The Interministerial Aid Coordination Committee, through close monitoring ensures an efficient and timely implementation of projects. UNDP, through the office of the Resident Coordinator, coordinates operational activities of the United Nations system and holds regular consultations with MEPD and technical ministries to ensure a cost-effective use of limited resources. In addition, UNDP funds have played a catalytic role in the pre-investment stage and in the formulation of development policies and programmes, thereby strengthening the national capacity in aid coordination.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

9. The April 1992 evaluation of the fourth country programme confirmed the importance of indicative planning figure (IPF) resources to the Government in the formulation of policies, strategies and programmes and in meeting technical cooperation needs in line with national development priorities. The grant funding nature of UNDP assistance is of particular interest to Mauritius which, as a middle-income country, is mainly entitled to reimbursable resources from abroad. The effectiveness of certain projects was clearly demonstrated by the savings realized in foreign exchange through enhanced capabilities of selected technical ministries.

10. The comparative advantage of UNDP was most successfully realized in sustaining national capacity- and consensus-building through efforts in mobilizing non-IPF resources to supplement available funding in key areas, namely the environment investment and human development programmes, the ESMP and the Telecommunications Master Plan. The strategic use of modest UNDP resources in support of donor consultative meetings on these programmes and master plans resulted in indications of interest in the amount of $200 million for the 1989-1991 period. The evaluation of the fourth country programme also underlined the need for strengthening national execution and for a reduction in the number of projects by targeting resources in a few areas of concentration through a programme approach in the next programming cycle.

B. Proposals for UNDP cooperation

1. Preparatory process

11. In addition to the mid-term review, the formulation of the fifth country programme has drawn on the 1992-1994 National Development Plan, the sectoral master plans and the recommendations of the recent National Long-Term Perspective Study (NLTPS) workshop, which reflect the consensus reached through a policy dialogue between the Government and the active forces of the country, including private-sector organizations and non-governmental organization (NGOs). Further, programme preparation, building upon the UNDP advisory note, has benefited from a series of consultations among UNDP, the Government, private-sector bodies, NGOs and major donor agencies, resulting in a consensus on extending UNDP assistance for such activities as reinforcement of national capacity-building and human resources development.

2. Strategy for UNDP cooperation

12. Although the fifth cycle IPF ($3.9 million) is relatively modest in terms of the country's financing requirements, the Government recognizes that grant funding can be best used as seed money, especially in the initiation of studies, innovative projects and programmes and the transfer of technology. The Government seeks UNDP cooperation to focus on such activities in relation to capacity-building for sustainable development, building upon the comprehensive programmes of action in the areas of human resources development and the

environment, to which UNDP has contributed in mobilizing donor support. These studies and innovative efforts will help policy makers to design future national programmes.

13. The Government looks to regional and interregional country programmes to reinforce the impact of actions at the national level, especially linkages with the human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) regional project (RAF/91/004). The Africa Futures Project (RAF/91/006) and the Indian Ocean Commission (IOC) initiative. Regional economic integration will also be pursued through close collaboration with the IOC. This cooperation will focus on the creation of a Regional Institute of Management, training in international commerce and a better understanding of the investment regulations in IOC member countries.

3. Proposed UNDP cooperation in selected areas of concentration

14. Based on national commitments towards the above goals, the Government has chosen the following two areas for UNDP cooperation. Intersectoral efforts towards achieving the national objective of sustainable socio-economic development will again require multi-donor actions coordinated with UNDP support.

Policy formulation and planning

15. National objectives. In the aftermath of the world-wide recession in the early 1980s the Government entered into structural adjustment arrangements with the World Bank and the International Monetary Fund (IMF). As a consequence, it has shortened its planning horizon and adopted a rolling three-year plan as the overall framework for resource mobilization and allocation. After a decade of short-term economic management there is a growing consensus on the urgent need to take a long-term look at emerging economic and social problems, the most pressing of which can be summarized as follows:

(a) The impact of the current labour shortages on the prevailing development strategy, based on exports;

(b) The increasing costs of industrial production;

(c) The environmental implications for sustainable development;

(d) The effect on sugar and export manufacturing sectors of the dismantling of trade barriers and the possible phasing out of subsidies on agricultural products, contemplated under the current General Agreement on Tariffs and Trade (GATT) negotiations; and

(e) The social and economic infrastructure requirements needed to satisfy the growing expectations of the next generation.

16. In response to these emerging problems, several studies have been identified to examine long-term prospects in various sectors; their total cost is estimated at $6 million. Some have been completed or are at different phases

of implementation; others are still unfunded or are yet to start. Following the February 1992 NLTPS workshop, supported by UNDP, these studies have been regrouped under several headings, including: human resource development strategy; social and cultural dimensions; science and technology; industrial, agricultural and services sector development strategies; marine resources development; Rodrigues and the Outer Islands; and physical planning and protection of the environment. Gender considerations will be incorporated by disaggregating data by gender wherever there are significant differences between the roles, contributions and benefits of men and women.

17. Proposed UNDP cooperation. UNDP support, including that of the regional Africa Futures Project, is sought to improve national economic planning capacity and to complement government and donor efforts in carrying out the proposed sectoral studies for the NLTPS. In addition, the Africa Capacity-Building Foundation will assist in strengthening the analytical capabilities of MEPD through improved information and database management and processing. UNDP assistance is also sought to support the Government's efforts to operationalize the recommendations of the study on improving national productivity, to help in assessing the impact of trade expansion on human development and to coordinate the activities of United Nations agencies involved in enhancing the capacity of the administration of the island of Rodrigues in alleviating poverty. In line with the objective to make Mauritius an offshore business centre, UNDP will assist the country to position itself as a regional centre for information technology and to mobilize donors to that effect.

18. Given the limited land area and the fragility of the ecosystem, UNDP assistance (mainly from the Global Environment Facility (GEF)) will also support policy formulation and planning in the area of biodiversity, waste recycling and consumer sensitization campaigns through NGOs to operationalize the resolutions of the United Nations Conference on Environment. Application of environmentally friendly technology will be extended to the traditional agricultural sector, mainly to reduce excessive use of inorganic fertilizers and agro-chemicals.

19. Expected impact. The following achievements are expected in the implementation of this programme area:

(a) Completion of sectoral studies by mid-1994 and of the NLTPS by mid-1995, as a basis for long-term planning;

(b) Development and publication of a social indicator series, as a policy tool, by 1994;

(c) Introduction of a system for assets management by the public sector;

(d) Completion of two studies on (i) the viability of Mauritius as a regional centre for information technology; and (ii) the creation of a regional training centre in telecommunications in Mauritius to be used by Indian Ocean countries;

(e) Implementation of a plan for improved management of the environment and completion of a study on organic agriculture; and

(f) Presentation and implementation of an action plan designed to improve management capacity to sustain development activities on the island of Rodrigues.

Human resources development

20. National objectives. Despite strong past performance, the Mauritian economy remains intrinsically fragile in several ways. Rising absenteeism and labour costs, due to limited skilled manpower in key areas, could seriously hinder the current policy drive based on industrial diversification. The Government therefore stresses the development of human resources as the linchpin for any continued expansion of the economy, especially through an integrated plan of action, in order to create a trained, versatile and healthy workforce that can help Mauritius to adapt to rapidly changing conditions in international markets. Within the framework of ESMP, teaching of science and technology will be given priority and more facilities will be provided to underendowed schools. A master plan will be formulated to provide more extensive high-quality health services. In family welfare, a social policy will also be formulated to correct emerging social problems, ensure the integration of women in the development process and better protect the family.

21. Proposed UNDP cooperation. UNDP support is sought for planning and coordinating the implementation of projects that promote industrial, technical and vocational training and enhance worker education. Assistance is also sought for activities to build gender mainstreaming and encourage measures to prevent non-communicable diseases and HIV/AIDS.

22. The human resource development programme for Mauritius focuses on four main areas: industrial, technical and vocational training; formal and informal education; research and development; and integration of women in the development process. Within the ESMP, UNDP will provide assistance to strengthen the capacity of the Ministry of Education and Science in the areas of planning, coordination of the implementation of programmes and projects, monitoring and assessment of results and establishment of an Education Sector Management Information System and selected activities on Rodrigues. In the Ministry of Industry and Industrial Technology, UNDP is being called upon to assist in introducing more advanced production management techniques. UNDP cooperation is also sought for policy guidance to the Industrial Vocational Training Board (IVTB) of the Ministry of Manpower Resources and Vocational and Technical Training and for IVTB activities on the island of Rodrigues.

23. UNDP cooperation is also sought to continue efforts to build capacity in the Ministry of Labour and Industrial Relations to promote worker education in collaboration with trade unions and employers' organizations. The Ministry of Women's Rights, Child Development and Family Welfare has requested UNDP assistance in the preparation of a white paper on women, in collaboration with initiatives of other Joint Consultative Group on Policy (JCGP) member organizations and the United Nations Development Fund for Women (UNIFEM), as well as in its operationalization. The Ministry has also requested assistance in the training of women entrepreneurs. The Ministry of the Environment and Quality of Life, which with previous assistance from UNDP had set up the institutional framework, enacted environment legislation and set environment standards for different economic activities, requests further assistance in

training government and private-sector personnel in the monitoring of these standards and control techniques. The Ministry of Health has requested continued assistance to the National Aids Control Programme and new assistance to address the effects of non-communicable disease. In both programmes, the NGO community, employers and trade unions will be involved.

24. Expected impact. The following achievements are expected in the implementation of activities envisaged under this programme:

(a) Improved coordination for implementation of the various components of the ESMP;

(b) Strengthened national programme on HIV/AIDS;

(c) Completion of the second phase of the worker education project;

(d) Policy options developed for gender mainstreaming with improved access to training for women entrepreneurs; and

(e) Mechanisms and systems in place to improve productivity in export processing zone industries.

25. As reflected in annex II, the fifth country programme addresses all six areas of focus recommended in Governing Council decision 90/34 of 23 June 1990, and is expected to lead to increased participation by NGOs and private organizations in several programmed activities, especially in the crucial areas of natural resource management, protection of the environment, poverty alleviation on the island of Rodrigues and sensitization campaigns on HIV/AIDS. The education and training programmes will not only improve national capacity in economic management but will also promote a greater role for women in the development process.

4. Complementary assistance

26. During the period covering the 1992/93 and 1994/95 fiscal years, the Government plans to implement a sizeable public-sector investment programme, currently estimated at $1.25 million. Despite firm commitments by several bilateral and multilateral donor agencies to finance specific components of this programme, such as projects in environment, infrastructure education and training, the financing gap remains relatively wide and additional aid in the form of concessionary loans, grants and technical cooperation is still required. The Government expects that additional, parallel assistance will be forthcoming as a result of close coordination between UNDP and other donors, from the Organisation for Economic Cooperation and Development and developing countries and multilateral financial organizations to meet all financial requirements. Through UNDP, the Government will also explore opportunities from special facilities and funds of the United Nations system for the country programme and related operations.

C. Assistance outside the main areas of concentration of the country programme

27. No assistance outside the main areas of concentration is planned.

D. Implementation and management arrangements

28. The Government is committed to such cost-effective implementation modalities as utilization of United Nations Volunteers specialists, national expertise, short-term international consultants and NGOs, backstopped by United Nations specialized agencies. National execution will also be expanded. UNDP has been requested to help strengthen the Government's capacity for national execution by carrying out training workshops on financial requirements. Regular audit practices have been instituted by the government Auditor General's Office.

29. Government management of UNDP support will continue within the MEDP. Annual reviews will be held to examine performance against indicators. A mid-term review will examine continuing relevance of UNDP support to national development priorities and progress in the areas of concentration recommended for UNDP cooperation.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth cycle IPF	(26)	
Fifth cycle IPF	3 910 a/	
Estimated expenditures in 1992	(770)	
Estimated IPF resources for 1997	704	
Subtotal IPF		3 818
Project cost-sharing (Government)	-	
Project cost-sharing (third party)	-	
Programme cost-sharing	-	
Subtotal cost-sharing		-
TOTAL		3 818

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	Thousands of dollars			Percentage of total resources
	IPF	Cost-sharing	Total	
Planning, policy formulation and analysis and management	1 441	-	1 441	37.7
Human resources development	1 400	-	1 400	36.7
Subtotal	2 841	-	2 841	
Unprogrammed reserve	977	-	977	25.6
TOTAL	3 818	-	3 818	100.0

a/ Includes the estimated expenditure for 1992 of $770,000.

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A.	UNDP-administered funds	
	SPR	450
	UNCDF	-
	UNSO	-
	UNIFEM	-
	UNRFNRE	-
	UNFSTD	-
	Subtotal	450
B.	Other United Nations resources	
	JCGP participating agencies b/	
	UNFPA	1 200
	UNICEF	3 200
	WFP	7 600
	IFAD	-
	Other United Nations agencies (non-UNDP financed)	-
	Africa Futures Project	300
	Global Environment Facility	3 300
	Subtotal	15 600
	Total non-core and other United Nations resources	8 100
C.	Non-United Nations resources	-
	TOTAL	24 150

b/ While these figures represent the total assistance of these organizations to Mauritius, the greater proportion of that assistance is complementary to the UNDP emphasis on human resources development, environment and capacity-building.

Annex II

PROGRAMME MATRIX a/

	Area of concentration	Area of focus					
		Poverty eradication and grass-roots participation in development	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I.	PLANNING, POLICY FORMULATION AND ANALYSIS AND MANAGEMENT						
	Capacity-building through strengthening key institutions concerned with planning and management	*		*		*	
	Strengthening national capacity in implementing environment management programme		*	*			
II.	HUMAN RESOURCES DEVELOPMENT						
	Strengthening national capacity through education and skills development			*		*	
	Capacity-building through worker education, gender mainstreaming and health promotion						
III.	UNPROGRAMMED RESERVE						
	Strategic actions, pre-feasibility studies (TCDC and promotion of national execution)			*	*		

a/ Asterisks indicate major linkage only.